



Issue 2

## Rural Developments

Sept. 17, 2010

### Roadmap to a Cleaner World

With the effects of the oil spill in the Gulf Coast still being felt, the world is looking for a cleaner, safer fuel alternative. Heads are now turning to biofuels as a possible answer.

The USDA believes in the power of biofuels and to help the push toward this fuel alternative the agency recently published a report titled “A USDA Regional Roadmap to Meeting the Biofuels Goals of the Renewable Fuels Standard by 2022.” This roadmap will guide our country on the necessary investments needed to ensure that the Renewable Fuels Standards mandate of producing and using 36 billion gallons of renewable transportation fuel per year by 2022 is met.

To continue this dialogue, later this month the USDA will be hosting a community forum on expanding the country’s biofuels market. The forum will take place at the FFA Enrichment Center at Des Moines Area Community College (DMACC) in Ankeny on Wednesday, September 29 from 9 a.m. to 11 a.m. We welcome input and feedback from rural America to guarantee that the most effective path is taken to achieve the mandate. - **Bill Menner, State Director**

### Recent Project Highlights

#### Enhanced Broadband

This year more than \$125 million in special American Recovery and Reinvestment loan and grant funds have been awarded to assist businesses in bringing enhanced broadband services to rural Iowa.

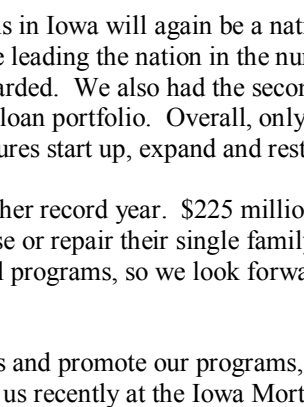


Grand River Mutual Telephone Corporation, Ellsworth Cooperative Telephone Association, Southwest Telephone Exchange, Inc. and Winnebago Cooperative Telecom Association are among the organizations receiving ARRA funding.

Building a broadband infrastructure is critical to creating jobs and economic opportunity in rural Iowa. With investments in broadband, we are fostering innovation and bringing more rural communities into the digital age.

#### Creating Ethanol from Non-Recycled Trash

State Director Menner and his colleagues from Missouri, Kansas, Nebraska and Minnesota visited the Fiberight ethanol plant in Blairs-town on September 16th. Fiberight took the decade-old, five-million-gallon-per-year facility and is moving forward with plans to produce ethanol using municipal solid waste. The company has a process that would convert millions of tons of non-recycled trash and industrial waste into next-generation cellulosic ethanol.



Fiberight is working with USDA Rural Development, the US Department of Energy and the Iowa Power Fund to expand the plant and its capacity. Fiberight says it can create 85 gallons of ethanol from every ton of trash that it processes. This revolutionary concept could reduce the amount of trash in our landfills and reduce our reliance on petroleum at the same time.

#### Groundbreaking of New Belmond Hospital

USDA Rural Development participated in the groundbreaking celebration of Belmond Medical Center’s expansion and renovation project on August 25<sup>th</sup>.



State Director Menner helped award \$24 million in USDA Rural Development funds to assist with the project, including a \$21.6 million direct loan made possible by the America Recovery and Reinvestment Act. The completed hospital will expand rural health care in the Belmond community and surrounding patient areas.

Over the past five years, USDA Rural Development has given \$273 million in financial assistance to 77 healthcare facilities in Iowa.

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**Bill Menner, State Director**

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### USDA Rural Development Programs

**Community Programs** have invested nearly \$126 million in more than 100 Iowa communities so far this year, and more funding announcements are expected soon. Much of this funding was made possible through the American Recovery and Reinvestment Act. Applications for community facilities or water and environmental programs are accepted year round. Community facilities applications can be found here and water and environmental programs here.

It appears interest rates for direct loans will again decrease to record lows on October 1st. The current rates for community facilities include market rate 4%; intermediate rate 4.25%; and poverty rate 4.5%. For water and environmental programs the current rates are market rate 4%; intermediate rate 3.25%; and poverty rate 2.375%. USDA Rural Development continues to be one of the best financing options for rural community infrastructure projects with low rates and terms up to 40 years.

**Business-Cooperative Programs** in Iowa is on track to obligate the highest number of transactions and the second highest dollars in our history. This is the third consecutive year that more than \$125 million will be obligated in Iowa.

Our Business-Cooperative Programs in Iowa will again be a national leader within USDA Rural Development. Once again we are leading the nation in the number of businesses and producers served and number of grants awarded. We also had the second largest loan guarantee caseload and the third largest direct loan portfolio. Overall, only two states obligated more dollars than Iowa to help business ventures start up, expand and restructure.

**Housing Programs** are having another record year. \$225 million in housing funds have already assisted 2,700 Iowans purchase or repair their single family homes so far this year. Funding is still available in all programs, so we look forward to being able to assist many more families.

We continue to develop partnerships and promote our programs, and September has been a busy month for that. You may have seen us recently at the Iowa Mortgage Association Conference or Housing Iowa Conference in Des Moines. We will also have a booth at the Iowa Realtors Association Conference in Dubuque, September 21 – 23. We appreciate these opportunities to participate and network with lenders, multi-family developers, state housing finance agencies and realtors to discuss financing options for housing projects in rural communities.

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